



# 常滿控股有限公司

## Sheung Moon Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

Stock Code: 8523



**FIRST QUARTERLY  
REPORT 2023**

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**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “**Directors**”) of Sheung Moon Holdings Limited (the “**Company**” or “**our**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively refer to as the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

*This report will remain on the “Latest Listed Company Information” page on the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the day of its posting. This report will also be published on the Company’s website at [www.smcl.com.hk](http://www.smcl.com.hk).*

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## **BOARD OF DIRECTORS**

### **Executive Directors**

Mr. Tang Sze Wo (*Chairman*)  
Mr. Lai Yung Sang  
Mr. Tang Siu Tim

### **Independent non-executive Directors**

Dr. Wong Kwok Yiu Chris  
Mr. Wong Choi Chak  
Mr. Leung Kim Hong

## **COMPANY SECRETARY**

Ms. Lo Eraine

## **COMPLIANCE OFFICER**

Mr. Tang Sze Wo

## **BOARD COMMITTEES**

### **Audit committee**

Mr. Wong Choi Chak (*Chairman*)  
Dr. Wong Kwok Yiu Chris  
Mr. Leung Kim Hong

### **Nomination committee**

Mr. Leung Kim Hong (*Chairman*)  
Dr. Wong Kwok Yiu Chris  
Mr. Wong Choi Chak

### **Remuneration committee**

Dr. Wong Kwok Yiu Chris (*Chairman*)  
Mr. Wong Choi Chak  
Mr. Leung Kim Hong

### **Risk management committee**

Mr. Wong Choi Chak (*Chairman*)  
Mr. Tang Sze Wo  
Dr. Wong Kwok Yiu Chris  
Mr. Leung Kim Hong

## **AUTHORISED REPRESENTATIVES**

Mr. Tang Sze Wo  
Ms. Lo Eraine

## **COMPANY'S WEBSITE**

<http://www.smcl.com.hk>

## **AUDITOR**

Confucius International CPA Limited  
Room 1501-08, 15/F  
Tai Yau Building  
181 Johnston Road  
Wan Chai  
Hong Kong

## **REGISTERED OFFICE**

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

## **PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Office D, 27/F  
The Globe  
No.79 Wing Hong Street  
Kowloon  
Hong Kong

## **PRINCIPAL BANKERS**

The Hong Kong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

China Construction Bank (Asia)  
Corporation Limited  
CCB Tower  
3 Connaught Road Central  
Hong Kong

# CORPORATE INFORMATION

## **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

## **HONG KONG BRANCH SHARE REGISTRAR**

Tricor Investor Services Limited  
17/F  
Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## **STOCK CODE**

8523

## BUSINESS REVIEW

The Group is a local contractor in the civil engineering construction industry and is principally engaged in the provision of site formation works, road and drainage works as well as structural works in both public and private sectors in Hong Kong. The Group is an approved contractor of the government of Hong Kong Special Administrative Region (the “**Government**”), a registered general building contractor and a specialist contractor (site formation works) with the Hong Kong Buildings Department.

The following table sets out the number of contracts awarded to and completed by the Group and the aggregate contract sum during the period under review:

	<b>Number of Contracts</b>	<b>Aggregate contract sum (Note) HK\$' million</b>
<b>As at 1 April 2023</b>		
Existing contracts	9	433.8
<b>During the three months ended 30 June 2023</b>		
Contract completed	–	–
New contracts awarded	1	6.8
	<hr/>	<hr/>
<b>As at 30 June 2023</b>	<b>10</b>	<b>440.6</b>

*Note:* The aggregate contract sum is based on a total of all contract sums stated in the initial agreements between the Group’s customers and the Group. It does not include additions and modifications due to subsequent variation orders. The final revenue recognised from a contract may differ from the contract sum initially agreed between the contracting parties.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue decreased by approximately HK\$4.1 million, or 15.2%, from approximately HK\$26.9 million for the three months ended 30 June 2022 to approximately HK\$22.8 million for the three months ended 30 June 2023. The decrease was due to the completion of a major project during the period, the revenue in relation to which was already recorded during previous period, hence it was not reflected during the period under review.

### Direct Costs

Direct costs primarily comprised of subcontracting fee, direct labour cost and construction materials. Direct cost decreased by approximately HK\$10.6 million, or 32.4%, from approximately HK\$32.7 million for the three months ended 30 June 2022 to approximately HK\$22.1 million for the three months ended 30 June 2023. Such decrease was mainly attributable to the decrease in the materials and petrol consumption as a result of the corresponding decrease in revenue.

### Gross Profit and Gross Profit Margin

The Group's gross results turnaround to profit of approximately HK\$0.7 million for the three months ended 30 June 2023 from loss of approximately HK\$5.8 million for the three months ended 30 June 2022. Gross profit margin increased from -21.6% for the three months ended 30 June 2022 to 3.0% for the three months ended 30 June 2023. Such turnover was due to the gradually stable Hong Kong economy after about three years of COVID-19 pandemic, which led to an economic downturn that severely affected the Group's performance in the previous period.

### Other Income

Other income decreased by approximately HK\$3.3 million, or 86.8%, from approximately HK\$3.8 million for the three months ended 30 June 2022 to approximately HK\$0.5 million for the three months ended 30 June 2023. Such decrease was mainly due to the receipt of subsidies with an amount of approximately HK\$3.0 million from the Government under the ESS from previous period.

### Other Gain

No other gain or loss recorded during the period under review, previous period other gain of approximately HK\$0.1 million is related to gain on disposal of a plant and equipment.

## **Administrative Expenses**

Administrative expenses increased by approximately HK\$1.8 million or 64.2% from approximately HK\$2.8 million for the three months ended 30 June 2022 to approximately HK\$4.6 million for the three months ended 30 June 2023. Such increase was due to the increase of consultancy fee and legal and professional fee for the period under review.

## **Finance Costs**

Finance costs decreased by approximately HK\$1.1 million or 96.4% from approximately HK\$1.1 million for the three months ended 30 June 2022 to approximately HK\$0.04 million for the three months ended 30 June 2023. Such decrease was due to the Group was under financial restructuring during the period under review and no bank loan interests incurred.

## **PROSPECT**

The Group has actively explored and participated in the opportunities arising from the development of coming major government infrastructure projects, being large-scale and significant for the region's growth, would present numerous opportunities for the Group to showcase our expertise and contribute to the development of our city.

As we look to the future, the Group remains steadfast in its commitment to growth, innovation, and contributing to society. By actively participating in government large-scale infrastructure projects and exploring modular construction methods, we aim to position ourselves as active participant among the construction industry, driving sustainable development and meeting the evolving needs of our clients. Our dedication to excellence and collaboration will continue to guide us as we strive for success in the coming fiscal year and beyond.

The Directors are cautiously positive that the Group's construction business will improve and record slight growth. With a proven track record and strong foothold in the industry, the Group will endeavor to maintain a steady growth in its construction business so as to maximize the return of the Company's shareholder (the "**Shareholders**").

## **EVENTS AFTER THE REPORTING PERIOD**

The Group had no significant events after the end of the reporting period and up to the date of this report.

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2023

	NOTES	Three months ended 30 June	
		2023 HK\$'000 (unaudited)	2022 HK\$'000 (unaudited)
Revenue	3	<b>22,825</b>	26,883
Direct costs		<b>(22,133)</b>	(32,698)
Gross (loss)/profit		<b>692</b>	(5,815)
Other income	4	<b>519</b>	3,769
Other gain	5	–	132
Impairment loss under expected credit loss model, net of reversal		–	(10,284)
Administrative expenses		<b>(4,554)</b>	(2,783)
Finance costs	6	<b>(36)</b>	(1,122)
Loss before taxation	7	<b>(3,379)</b>	(16,103)
Taxation		–	–
Loss and total comprehensive expense for the period attributable to owners of the Company		<b>(3,379)</b>	(16,103)
Loss per share (HK cents)	8		
– Basic and diluted		<b>(0.84)</b>	(4.03)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (Note a)	Property revaluation reserve HK\$'000 (Note b)	Accumulated losses HK\$'000	Total HK\$'000
At 1 April 2022 (restated)	4,000	63,701	10,262	2,695	(106,774)	(26,116)
Loss and total comprehensive expense for the period (unaudited)	-	-	-	-	(16,103)	(16,103)
At 30 June 2022 (unaudited)	<u>4,000</u>	<u>63,701</u>	<u>10,262</u>	<u>2,695</u>	<u>(122,877)</u>	<u>(42,219)</u>
At 1 April 2023 (audited)	4,000	63,701	10,262	-	(130,851)	(52,888)
Loss and total comprehensive expense for the period (unaudited)	-	-	-	-	(3,379)	(3,379)
At 30 June 2023 (unaudited)	<u>4,000</u>	<u>63,701</u>	<u>10,262</u>	<u>-</u>	<u>(134,230)</u>	<u>(56,267)</u>

Notes:

- (a) The other reserve of the Group represents the difference between the nominal amount of the share capital of Sheung Moon Construction Limited, an indirect wholly-owned subsidiary of the Company, and the nominal amount of share capital of Attaway Developments Limited, a direct wholly-owned subsidiary of the Company, pursuant to the Group's reorganisation in preparation for the listing of the Company's shares in 2018.
- (b) During the year ended 31 March 2017, the use of property of the Group had been changed from owner-occupation to leasing out for rental income. The leasehold land and building with net book value of HK\$10,505,000 were transferred from property, plant and equipment to investment property at the date of the end of owner-occupation. Upon the change of intended use, the difference of HK\$2,695,000 between the net book value and the fair value of the property of HK\$13,200,000 was recognised in other comprehensive income and accumulated in "property revaluation reserve".

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

## 1. GENERAL

Sheung Moon Holdings Limited (the “**Company**”) was incorporated and registered in the Cayman Islands as an exempted company with limited liability on 31 May 2017 under the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) (as amended from time to time) of the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 12 February 2018. The immediate holding company of the Company is Chrysler Investments Limited, which is incorporated in the British Virgin Islands (“**BVI**”) and owned by Mr. Tang Sze Wo. The address of the Company’s registered office is at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business is at Office D, 27/F, The Globe, No. 79 Wing Hong Street, Kowloon, Hong Kong.

The Company acts as an investment holding company and its subsidiaries are principally engaged in provision of civil engineering construction service.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statement of the Group for the three months ended 30 June 2023 have been prepared in accordance with accounting policies conform with Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRSs.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for investment property that are measured at fair values.

The adoption of the new and amendments to HKFRSs issued by the HKICPA which are applicable for the Group’s annual period beginning on 1 April 2023 has no material impact on the financial position of the Group as at 1 April 2023 and results of the Group for the three months ended 30 June 2023.

The accounting policies and methods of computation used in the first quarterly financial information for the three months ended 30 June 2023 are the same as those applied in the preparation of the financial information of the Group for the year ended 31 March 2023 included in the annual report of the Company dated 29 June 2023.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

## 3. REVENUE AND SEGMENT INFORMATION

### Revenue

Revenue represents the fair value of amounts received and receivable from the civil engineering construction services by the Group to external customers. The Group's revenue is solely derived from civil engineering construction services in Hong Kong during both periods.

#### (i) Revenue from contract with customers

Revenue from provision of civil engineering construction services during both periods are analysed as follows:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Civil engineering construction contracts recognised over time	<u>22,825</u>	<u>26,883</u>

#### (ii) Performance obligations for contracts with customers

The Group provides construction services to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised for these construction services based on the stage of completion of the contract using input method.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. When the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

A contract asset, net of contract liability related to the same contract, is recognised over the period in which the construction services are performed representing the Group's right to consideration for the services performed because the rights are conditioned on the Group's future performance in achieving specified milestones. The contract assets are transferred to trade receivables when the rights become unconditional.

Retention receivables, prior to expiration of defect liability period, are classified as contract assets, which ranges from one to two years from the date of the practical completion of the construction. The relevant amount of contract asset is reclassified to trade receivables when the defect liability period expires. The defect liability period serves as an assurance that the construction services performed comply with agreed upon specifications and such assurance cannot be purchased separately.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

## Segment information

The executive directors of the Company, being the chief operating decision maker (“**CODM**”), regularly review revenue analysis by nature of business. The executive directors of the Company considered the operating activities of civil engineering construction services as a single operating segment. The operating segment has been identified on the basis of internal management reports prepared in accordance with accounting policies conform to HKFRSs, and is regularly reviewed by the CODM. The CODM reviews the overall results, assets and liabilities of the Group as a whole to make decisions about resources allocation and performance evaluation. Accordingly, no further analysis of this single operating segment is presented.

## 4. OTHER INCOME

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Government subsidies	–	3,032
Compensation income	–	220
Rental income	–	99
Project management income	220	–
Others	299	418
	<u>519</u>	<u>3,769</u>

## 5. OTHER GAIN

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Gain on disposal/written off of property, plant and equipment	–	132
	<u>–</u>	<u>132</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

## 6. FINANCE COSTS

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Interests on:		
Bank borrowings	–	941
Lease-liabilities	<u>36</u>	<u>181</u>
	<u>36</u>	<u>1,122</u>

## 7. LOSS BEFORE TAXATION

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Profit before taxation has been arrived at after charging:		
Directors' remuneration	687	1,254
Staff costs (including direct labour cost)	4,464	14,958
Retirement benefit scheme contributions (including direct labour cost)	<u>141</u>	<u>431</u>
Total staff cost	<u>5,292</u>	<u>16,643</u>
Auditor's remuneration	250	200
Depreciation on property, plant and equipment	649	1,143
Depreciation on right-of-use assets	<u>322</u>	<u>706</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2023

## 8. LOSS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company for the period is based on the following data:

	<b>Three months ended 30 June</b>	
	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<hr/>		
<b>Loss</b>		
Loss for the period attributable to owners of the Company for the purpose of calculating basic earnings per share	<u><b>(3,379)</b></u>	<u>(16,103)</u>
	<b>'000</b>	'000
	<b>(unaudited)</b>	(unaudited)
<hr/>		
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u><b>400,000</b></u>	<u>400,000</u>

There were no potential dilutive shares in existence during both periods, therefore, diluted loss per share is same as the basic loss per share.

## 9. DIVIDENDS

No dividend was paid, declared or proposed for the three months ended 30 June 2023 (for the three months ended 30 June 2022: Nil).

## DISCLOSURE OF INTERESTS

**(a) Interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or the associated corporations**

As at 30 June 2023, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required as otherwise to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules, were as follows:

*(i) Interests in the Company*

<b>Name of Director</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage of shares</b>
Mr. Tang Sze Wo <i>(Note)</i>	Interest in a controlled corporation	260,000,000 (long position)	65.0%
Mr. Tang Siu Tim	Beneficial Owner	3,975,000 (long position)	1.0%

*Note:*

These shares are held by Chrysler Investments Limited, a company incorporated in the BVI and the entire share capital of which is held by Mr. Tang Sze Wo. Mr. Tang Sze Wo is deemed to be interested in these shares held by Chrysler Investments Limited under the SFO.

## OTHER INFORMATION

**(ii) Interests in associated corporation(s) of the Company**

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Percentage of shareholding</b>
Mr. Tang Sze Wo	Chrysler Investments Limited	Beneficial owner	1 (long position)	100%

Save as disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the required standards of dealing by Directors as referred to in Rules 5.46 to 5.68 of the GEM Listing Rules.

**(b) Interests and short positions of the substantial shareholders in the shares and underlying shares**

So far as the Directors are aware, as at 30 June 2023, the following persons (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the shares or the underlying shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or are directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group:

<b>Name of Shareholder</b>	<b>Capacity/ Nature of interest</b>	<b>Number of shares</b>	<b>Approximate percentage of shareholding in our Company</b>
Chrysler Investments Limited (Note 1)	Beneficial owner	260,000,000 (long position)	65.0%
Mr. Tang Siu Fung Calvin (Note 2)	Interest in a controlled corporation	40,000,000 (long position)	10.0%
Sigma Square Investment Management Limited (Note 2)	Interest in a controlled corporation	40,000,000 (long position)	10.0%
Altivo Ventures Limited (Note 2)	Beneficial owner	40,000,000 (long position)	10.0%

*Notes:*

- Chrysler Investments Limited is a company incorporated in the BVI and the entire share capital of which is held by Mr. Tang Sze Wo.
- These shares are held by Altivo Ventures Limited, a company incorporated in the BVI and the entire share capital of which is held by Sigma Square Investment Management Limited, a company incorporated in Hong Kong and wholly owned by Mr. Tang Siu Fung Calvin, the son of Mr. Tang Sze Wo. Each of Sigma Square Investment Management Limited and Mr. Tang Siu Fung Calvin is deemed to be interested in these shares held by Altivo Ventures Limited under the SFO.

Save as disclosed above, and as at 30 June 2023, the Directors and chief executive are not aware of any person, other than a Director or chief executive of the Company, who has an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

## OTHER INFORMATION

### CHANGES IN THE DIRECTORS' INFORMATION

There are no changes in the Board and the information of the Directors since the date of the Company's annual report 2023.

### SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "**Share Option Scheme**") on 24 January 2018 for the purpose of motivating the Eligible Participants (as defined below) to optimize their performance efficiency for the benefit of the Group and attracting and retaining or otherwise maintaining on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group. "**Eligible Participants**" refer to (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries; or (ii) any directors (including executive, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries; or (iii) any advisers, consultants, suppliers, customers, agents and related entities to the Company or any of its subsidiaries.

The maximum number of shares of the Company (the "**Shares**") in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Hong Kong public offering, being 40,000,000 Shares. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to any one person (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue from time to time.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as determined by the Board and not exceeding 10 years from the date of the grant. There is no minimum period for which an option must be held before it can be exercised. However, a grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. The exercise price of the options is determined by the Board in its absolute discretion and shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the official closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of the relevant option, which must be a day on which the Stock Exchange is open for the business of dealing in securities; and
- (c) the average of the official closing prices of the Shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date grant of the relevant option.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All options granted prior to the termination of the Share Option Scheme and not then exercised shall continue to valid and exercisable subject to and in accordance with the Share Option Scheme.

No share options were granted, exercised, cancelled or lapsed by the Company under the Share Option Scheme during the period from 1 April 2023 to 30 June 2023 and there were no outstanding share options under the Share Option Scheme as at 30 June 2023 and up to the date of this report.

### **DIVIDENDS**

The Board does not recommend the payment of any dividend for the three months ended 30 June 2023 (2022: nil).

### **DIRECTORS' RIGHT TO ACQUIRE SHARES**

Save as disclosed in this report, at no time during the period from 1 April 2023 to 30 June 2023 was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the Directors and chief executive of the Company (including their spouses and children under 18 years of age) to hold any interest or short positions in the shares, or underlying shares, or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

### **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the three months ended 30 June 2023, the Company did not redeem any of its shares, and neither did the Company nor any of its subsidiaries purchase or sell any of the shares.

### **SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Code of Conduct**”). Having made specific enquiry of all the Directors, all of them confirmed that they had fully complied with the required standard of dealings as set out in the Code of Conduct during the period from 1 April 2023 to 30 June 2023.

### **COMPETITION AND CONFLICT OF INTERESTS**

As far as the Directors are aware, none of the Directors nor the controlling Shareholders nor any of their respective associates (as defined in the GEM Listing Rules) had any business or interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or had any other conflict of interests with the Group during the three months ended 30 June 2023.

## OTHER INFORMATION

### **AUDIT COMMITTEE**

The Board has established an audit committee (the “**Audit Committee**”) on 24 January 2018, which operates under terms of reference approved by the Board. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Wong Choi Chak, Dr. Wong Kwok Yiu Chris and Mr. Leung Kim Hong. Mr. Wong Choi Chak is the chairman of the Audit Committee. The Audit Committee has reviewed the unaudited condensed consolidated financial results of the Group for the three months ended 30 June 2023.

### **CORPORATE GOVERNANCE PRACTICES**

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interests of the Shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules (the “**CG Code**”) to ensure that the Group’s business activities and decision making processes are regulated in a proper and prudent manner.

During the three months ended 30 June 2023, the Company has complied with the code provisions of the CG Code.

### **CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE GEM LISTING RULES**

The Company does not have any other disclosure obligation under Rule 17.22, Rule 17.23 and Rule 17.24 of the GEM Listing Rules.

### **CONTINUED SUSPENSION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9 a.m. on 15 August 2022 as required under Rule 17.49B of the GEM Listing Rules and will remain suspended until further notice.

By order of the Board  
**Sheung Moon Holdings Limited**  
**Tang Sze Wo**  
*Executive Director and Chairman*

Hong Kong, 11 August 2023

*As at the date of this report, the Board comprises three executive Directors, namely, Mr. Tang Sze Wo, Mr. Lai Yung Sang and Mr. Tang Siu Tim; and three independent non-executive Directors, namely, Dr. Wong Kwok Yiu Chris, Mr. Wong Choi Chak and Mr. Leung Kim Hong.*